

SUSTAINABLE FINANCIAL INSTRUMENTS AND INFRASTRUCTURE

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SUSTAINABLE DEVELOPMENT PROJECTS TAXONOMY

GREEN PROJECTS



Green projects should contribute to goals related to positive environmental impacts

TRANSITION PROJECTS



Transition projects should be aimed at the decarbonization of carbon-intensive industries and improving the environment-related aspects of their activities supporting climate transition

SOCIAL PROJECTS



Social projects should contribute to goals related to positive social impacts

- Resolution of the Government of the Russian Federation No. 1587 of 21 September 2021

SECOND-PARTY OPINION (VERIFICATION SYSTEMS)

BONDS/LOANS

- green
- social
- sustainability
- transition

BONDS

- sustainability-linked
- climate transition

VERIFIERS

13 APPROVED ORGANIZATIONS
credit rating agencies and audit companies



- Resolution of the Government of the Russian Federation No. 1587 of 21 September 2021
- Regulation of the Bank of Russia No. 706-P of 19 December 2019

SYSTEM FOR ASSIGNING ESG RATINGS

PROBLEMS OF ESG RATINGS

- Inconsistency and incomparability of data and methodologies
- Non-transparent process of obtaining ESG data
- Insufficient reliability of information sources
- Different demands of investors and issuers

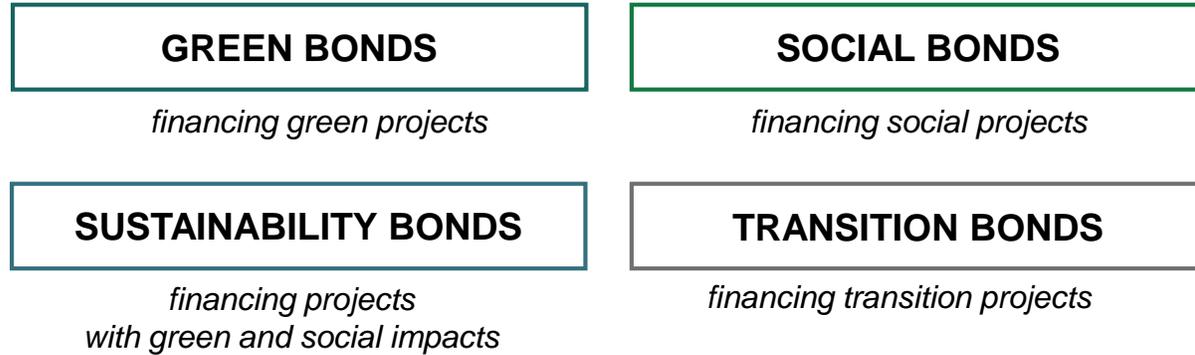
OUTCOMES OF RECOMENDATIONS

- ✓ harmonized definition of the term “ESG rating”
- ✓ minimum set of metrics for each ESG pillar
- ✓ a uniform rating scale for all ESG rating providers

- Bank of Russia Information Letter No. IN-02-05/46 of 30 June 2023 “On Recommendations for Developing an ESG Ratings (Sustainability Ratings) Methodology and Assigning Such Ratings”

BONDS AND LOANS AS PART OF SUSTAINABLE FINANCE

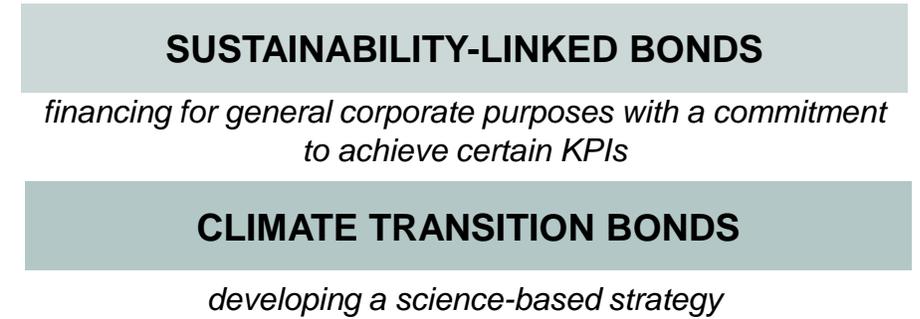
TARGETED BONDS AND LOANS



VERIFICATION PROCESS (13 APPROVED VERIFIERS)

	PRE-ISSUANCE	POST-ISSUANCE
STAGES	1	2
WHEN?	Before issuance	No more than 24 months after issuance
HOW OFTEN?	1	1
IS IT MANDATORY?	yes	yes

GENERAL PURPOSE BONDS



GREEN MORTGAGE



SUSTAINABILITY SECTORS AT MOSCOW EXCHANGE AND SPB EXCHANGE

Sustainability Sector at Moscow Exchange

*Volume: RUB 435 billion (USD ~5 billion)**

**Segment for
sustainability bonds
(green, social and
sustainability bonds)**

*31 issuances
RUB 340 billion
USD ~3.8 billion**

**Segment for
sustainability-linked
bonds
(sustainability-linked
bonds and
climate transition bonds)**

**Segment for national
and transition projects**

*7 issuances
RUB 95 billion
USD ~1.1 billion**

Segment for Sustainable Finance Instruments at SPB Exchange

Secondary listing (USD ~0.35 billion)*

*As of 31 January 2024



POSSIBLE AREAS OF COOPERATION FOR BRICS

PROJECTS

PROJECT 1. Establishment of mechanisms for ongoing strategic dialog with partner countries: identification of common challenges, risks and opportunities

PROJECT 2. Development of BRICS standards for green finance (taxonomy, verification and instruments)

PROJECT 3. Development of BRICS standards for climate transition and adaptation finance instruments

PROJECT 4. Harmonization of approaches to assigning ESG ratings

